



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1718

Introduced 2/15/2013, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

215 ILCS 5/126.11a new

Amends the Illinois Insurance Code. Provides that subject to the restrictions provided in the Article concerning life and health insurers, an insurer may invest in bonds, notes, warrants, and other securities not in default that are the direct obligations of the government of any foreign country that is a member of the Organisation for Economic Co-operation and Development (OECD) and for which the full faith and credit of such government has been pledged for the payment of principal and interest, provided that (i) the debt of the issuing country has been rated as investment grade for at least 10 years immediately before the time of acquiring the obligations by at least 2 of the major ratings agencies, including Moody's Investors Service, Standard & Poor's Rating Services, Fitch Rating, and the Securities Valuation Office of the National Association of Insurance Commissioners and (ii) the issuing country has not defaulted and has met its payment obligations in a timely manner on all similar obligations for a period of at least 30 years immediately before the time of acquiring the obligations.

LRB098 10029 RPM 40188 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 126.11a as follows:

6 (215 ILCS 5/126.11a new)

7 Sec. 126.11a. Investments in direct obligations of
8 governments of foreign countries. Subject to the restrictions
9 provided in this Article, an insurer may invest in bonds,
10 notes, warrants, and other securities not in default that are
11 the direct obligations of the government of any foreign country
12 that is a member of the Organisation for Economic Co-operation
13 and Development (OECD) and for which the full faith and credit
14 of such government has been pledged for the payment of
15 principal and interest, provided that (i) the debt of the
16 issuing country has been rated as investment grade for at least
17 10 years immediately before the time of acquiring the
18 obligations by at least 2 of the major ratings agencies,
19 including Moody's Investors Service, Standard & Poor's Rating
20 Services, Fitch Rating, and the Securities Valuation Office of
21 the National Association of Insurance Commissioners and (ii)
22 the issuing country has not defaulted and has met its payment
23 obligations in a timely manner on all similar obligations for a

1 period of at least 30 years immediately before the time of
2 acquiring the obligations.